

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 7275

BILL NUMBER: HB 1314

DATE PREPARED: Jan 8, 2002

BILL AMENDED:

SUBJECT: BMVC Employee Reports of Whistleblower Violations.

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FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes certain protections for an employee of the Bureau of Motor Vehicles Commission (BMVC) who reports a violation of federal, state, or local laws or the misuse of public funds. It requires the BMVC to adopt a disciplinary personnel policy by rule that provides that if the result of a disciplinary appeal is not agreeable to the employee, the employee is entitled to institute a civil suit for a further appeal of the discipline, and that a prevailing employee is entitled to costs of the action.

Effective Date: Upon passage.

Explanation of State Expenditures: The provisions of this proposal expand the appeal process for a BMVC employee who reports a violation of federal, state, or local laws or the misuse of public funds to include instituting a civil suit for further appeal of a disciplinary action. If the appealing employee prevails in the civil action, the employee is entitled to recover the employee's reasonable attorney's fees, including litigation expenses and costs. This would increase BMVC expenditures in such cases. The fund affected is the State License Branch Fund which supports the operation of the BMVC. The specific fiscal impact will depend upon the number of such cases and the costs involved.

Explanation of State Revenues: The bill allows for a Class A infraction for violation of the state's whistleblower law if the BMVC has opted to be under the State Ethics Commission. If the BMVC establishes its own code of ethics for its employees, the criminal penalty does not apply.

Penalty Provision: If additional court cases occur, revenue to the State General Fund may increase if infraction judgments and court fees are collected. The maximum judgment for a Class A infraction is \$10,000 which is deposited in the State General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the State General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Bureau of Motor Vehicles Commission.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: